

HDFC securities Retail Research

Currency Daily

08 September 2022



Currency Movements

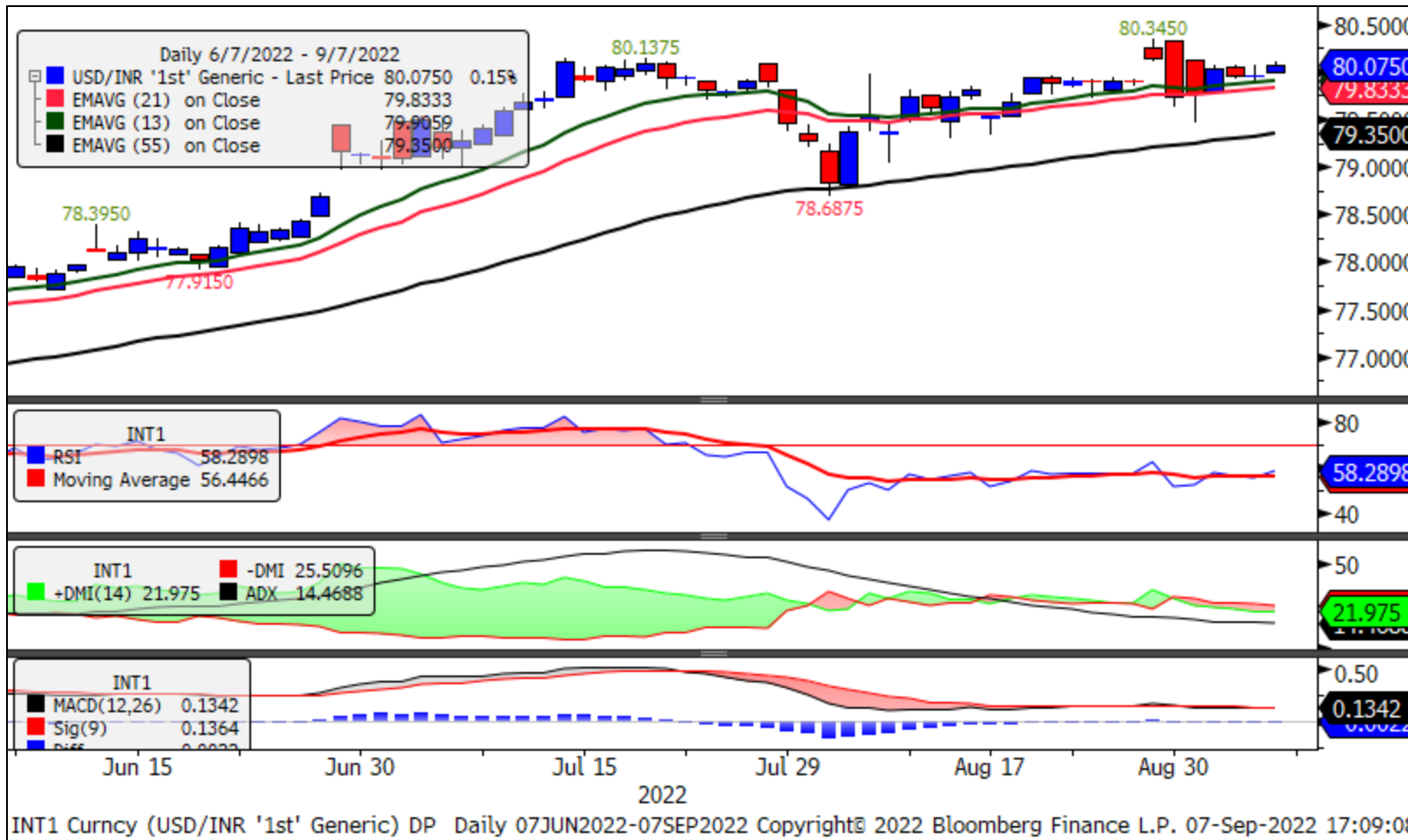
Particular	Current Price	Prev. Close	Chg.	% Chg.
USDINR	79.9037	79.8375	0.0662	0.08%
DXY Index*	109.788	110.598	-0.810	-0.73%
EURUSD*	0.9988	0.9895	0.0093	0.94%
GBPUSD*	1.1509	1.1443	0.0066	0.58%
USDJPY*	144.19	144.77	-0.58	-0.40%
USDCNH*	6.9744	6.9899	-0.0155	-0.22%
USDINR 1M FWD*	79.920	80.160	-0.2400	-0.30%
India 10 Yr. Yield	7.1840	7.1780	0.0060	0.08%
US 10 Yr. Yield	3.2501	3.2635	-0.0134	-0.41%

Global Equity Markets

Particular	Current Price	Prev. Close	Chg.	% Chg.
Nifty	17624.4	17655.6	-31.20	-0.18%
Sensex	59028.9	59197.0	-168.08	-0.28%
Hang-Seng	18963.1	19044.3	-81.18	-0.43%
Nikkei	27992.3	27430.3	561.95	2.05%
Shanghai	3247.0	3246.3	0.74	0.02%
S&P Index	3979.9	3908.2	71.68	1.83%
Dow Jones	31581.3	31145.3	435.98	1.40%
Nasdaq	10860.6	10703.5	157.17	1.47%
FTSE	7237.8	7300.4	-62.61	-0.86%
CAC	6105.9	6104.6	1.31	0.02%
DAX	12916.0	12871.4	44.53	0.35%

- The Indian Rupee could start today on firm notes following positive global cues with strong Asian markets.
- Earlier, The Indian rupee fell as broad dollar strength weighed on emerging Asian currencies, but losses were capped by the potential RBI intervention. The RBI has said they are regularly intervening in the market, and some inflows are also coming from the FDI route.
- The dollar rose against all its Group-of-10 peers as investors awaited a speech by Federal Reserve Chair Jerome Powell which may reaffirm the US central bank's hawkish bias.
- Yields pulled back Wednesday, with the 10-year US rate down 8.6 basis points to 3.264%. The 2-year Treasury yield slipped to 3.45%, below its multi year high and below its highest level of Tuesday at about 3.52%. The U.S. dollar hit a new 20-year high on Wednesday just shy of the 111 level.
- However, The dollar remains underpinned by the consensus that Powell will continue to put emphasis on inflation and on expectations for a 75-basis-point rate hike this month.
- The yen headed for a fourth day of losses after verbal intervention from Japanese authorities failed to arrest its slide.
- Asian markets rebounded Thursday from the lowest level since 2020 but the move trailed a Wall Street rally as the dollar renewed its climb and crude oil edged higher.

USDINR September Futures Daily Chart



Technical Observations:

- USDINR September futures formed bearish candlestick patterns after Doji candlestick pattern considered as reversal in trend.
- Long unwinding has been seen on Tuesday as the pair declined along with the open interest.
- Momentum oscillator, Relative Strength Index of 14 days period made a negative divergence and exited from overbought zone indicating weakness.
- The Direction movement is still showing pressure on the prices over range bound trading.
- We expect USDINR to trade with negative bias with support at 79.80 and resistance at 80.20 for the day.

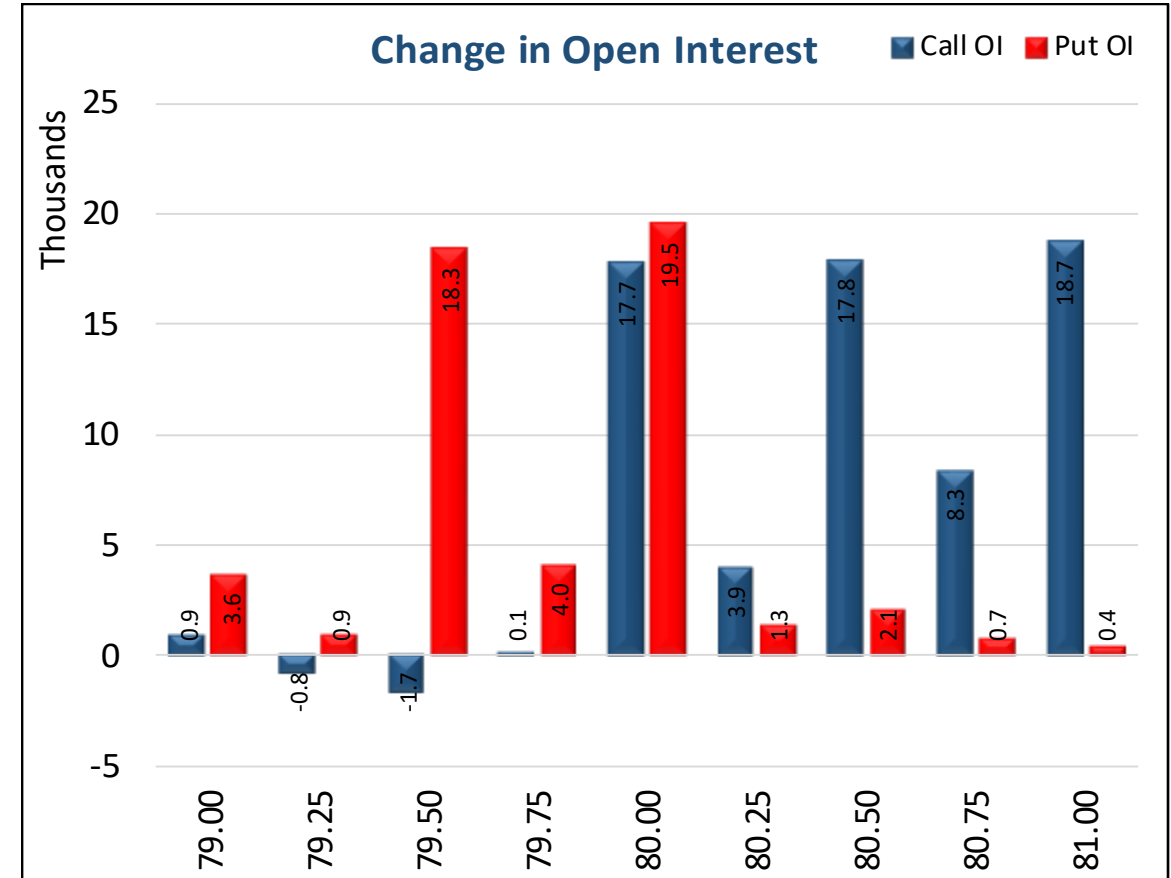
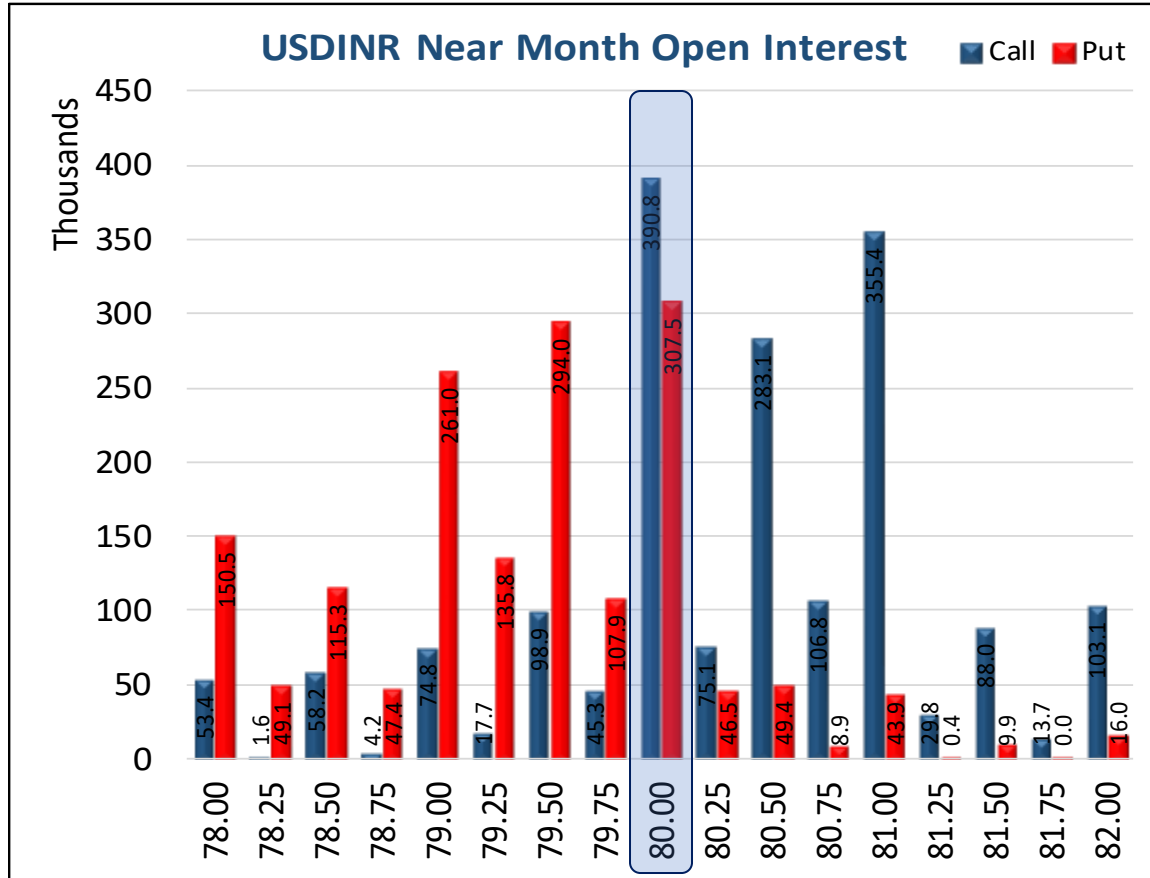
Currency Derivative Price Actions

Currency Pairs	Open	High	Low	Close	Chg.	Open Interest	Chg. In OI	Volume	Chg. in Volume	Agg. Open Interest	Chg. in Agg. OI
NSE USDINR Future Sept 22	80.0000	80.1000	79.9725	80.0775	0.16	3453552	-15296	2101723	-114934	5192495	33330
NSE EURINR Future Sept 22	79.4000	79.5650	79.1825	79.4025	-0.22	162092	9460	261186	-100688	190519	8271
NSE GBPINR Future Sept 22	91.9125	92.6000	91.5550	91.6900	-1.06	214022	16823	278926	-103786	254482	20343
NSE JPYINR Future Sept 22	55.9000	55.9900	55.4525	55.4900	-1.82	94900	6775	88779	16587	110763	8035
NSE EURUSD Future Sept 22	0.9901	0.9945	0.9899	0.9912	-0.42	4990	49	703	-1054	4992	49
NSE GBPUSD Future Sept 22	1.1470	1.1525	1.1433	1.1448	-1.17	21955	-27	2108	898	21955	-27
NSE USDJPY Future Sept 22	143.75	144.63	142.50	144.43	2.03	5960	884	3644	2266	5974	895

Technical Levels

Currency Pairs	LAST	PIVOT	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3	5 DMA	20 DMA
NSE USDINR Future Sept 22	80.08	80.05	79.72	79.92	80.00	80.13	80.18	80.26	79.96	79.97
NSE EURINR Future Sept 22	79.40	79.38	78.42	79.00	79.20	79.58	79.77	79.97	79.74	80.71
NSE GBPINR Future Sept 22	91.69	91.95	89.47	90.90	91.30	92.34	92.99	93.39	92.29	94.78
NSE JPYINR Future Sept 22	55.49	55.64	54.38	55.11	55.30	55.84	56.18	56.37	56.74	58.49
NSE EURUSD Future Sept 22	0.9912	0.9919	0.9807	0.9873	0.9892	0.9938	0.9965	0.9984	0.9967	1.0093
NSE GBPUSD Future Sept 22	1.1448	1.1469	1.1249	1.1377	1.1412	1.1504	1.1561	1.1596	1.15392	1.1851
NSE USDJPY Future Sept 22	144.43	143.85	138.24	141.72	143.08	145.21	145.98	147.34	141.04	136.85

USDINR September Month Option Distributions



- Maximum pain remained at 80 strikes with a total open interest of 6.97 lakh from previous day's 6.62 lakh contracts.
- Put call ratio steady at 0.86 from previous day's 0.86. Call writing has been seen on 81 strikes while put writing on 79.50 strikes.
- Option distributions indicate range of 79 to 81.

Disclosure:

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HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066

Compliance Officer: Murlu V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

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